

4-20-01
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-01774A WATER
PICACHO WATER IMPROVEMENT
P. O. BOX 44
PICACHO AZ 85241-0000

ANNUAL REPORT

02/10/01
4-17-01
02/10/01

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN 04	00
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COMPANY INFORMATION

Company Name (Business Name) PICACHO WATER IMPROVEMENT CORPORATION

Mailing Address PO BOX 44
(Street)

PICACHO AZ 85241
(City) (State) (Zip)

(520) 466-3787

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: ED KILE
(Name) (Title)

PO BOX 44 PICACHO AZ 85241
(Street) (City) (State) (Zip)

(520) 466-3787

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: SAME AS ABOVE
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: H. HOWARD HOLMES

(Name)

302 E 5th ST

(Street)

ELOY

(City)

AZ

(State)

85231

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: ROBERT LYNCH

(Name)

340 E. PALM LANE

(Street)

PHOENIX

(City)

AZ

(State)

85004

(Zip)

(602) 254-5908

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

PICACHO WATER IMPROVEMENT CORPORATION

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	700	0	700
304	Structures and Improvements	933	933	0
307	Wells and Springs	7,479	3,718	3,761
311	Pumping Equipment	80,381	70,415	9,966
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	25,619	25,619	0
331	Transmission and Distribution Mains	61,778	61,778	0
333	Services			
334	Meters and Meter Installations	4,320	3,881	439
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,555	1,555	0
341	Transportation Equipment	9,245	9,245	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	3,251	3,251	0
	TOTALS	195,261	180,395	14,866

This amount goes on the Balance Sheet Acct. No. 108




COMPANY NAME

PICACHO WATER IMPROVEMENT CORPORATION

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	700		
304	Structures and Improvements	933		
307	Wells and Springs	7,479	5%	225
311	Pumping Equipment	80,381	5%	5,240
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	25,619		
331	Transmission and Distribution Mains	61,778		
333	Services			
334	Meters and Meter Installations	4,320	5%	51
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,175		
341	Transportation Equipment	9,245		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	380	20%	66
347	Miscellaneous Equipment			
348	Other Tangible Plant	3,251		
	TOTALS	195,261		5,582

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 11,053	\$ 18,683
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,116	9,426
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	95	298
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 22,264	\$ 28,407
	FIXED ASSETS		
101	Utility Plant in Service	\$ 190,871	\$ 195,261
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	174,814	180,395
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 16,057	\$ 14,866
	TOTAL ASSETS	\$ 38,321	\$ 43,272

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	6,902	6,902
236	Accrued Taxes	50	1,223
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 6,952	\$ 8,125
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 31,595	\$ 28,476
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 38,547	\$ 36,601
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,339	\$ 13,339
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(13,565)	(6,668)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (226)	\$ 6,671
	TOTAL LIABILITIES AND CAPITAL	\$ 38,321	\$ 43,272

COMPANY NAME

PICACHO WATER IMPROVEMENT CORPORATION

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 47,811	\$ 50,500
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 47,811	\$ 50,500
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	9,881	11,006
618	Chemicals		
620	Repairs and Maintenance	19,590	9,165
621	Office Supplies and Expense	1,526	1,420
630	Outside Services	6,804	6,681
635	Water Testing	1,125	1,263
641	Rents		
650	Transportation Expenses	516	394
657	Insurance – General Liability	1,127	993
659	Insurance - Health and Life	2,843	
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	733	1,240
403	Depreciation Expense	1,202	5,582
408	Taxes Other Than Income	515	1,145
408.11	Property Taxes	4,429	1,788
409	Income Tax	50	1,223
	TOTAL OPERATING EXPENSES	\$ 50,341	\$ 41,900
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 134	\$ 123
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	121	1,826
	TOTAL OTHER INCOME/EXP	\$ 13	\$ 1,703
	NET INCOME/(LOSS)	\$ (2,517)	\$ 6,897

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11-18-71	3-17-72	8-6-80	
Source of Loan	FHA	FHA	FHA	
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 30,000	\$ 103,443	\$ 25,000	\$
Amount Outstanding	\$ 11,350	\$ 2,728	\$ 14,399	\$
Date of Maturity				
Interest Rate	5%	5%	5%	
Current Year Interest	\$ 922	\$ 416	\$ 488	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$
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Meter Deposits Refunded During the Test Year	\$
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COMPANY NAME

PICACHO WATER IMPROVEMENT CORPORATION

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
622043	40	300	14"	6"
622044	25	65	12"	3"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	1	NONE	NONE

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	7,500	1

STATISTICAL INFORMATION

Total number of customers	120	
Total number of gallons sold	21,832,984	gallons

COMPANY NAME PICACHO WATER IMPROVEMENT CORPORATION **YEAR ENDING 12/31/2000**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 1,788

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

SEE ACCOUNTANT'S REPORT

COMPANY NAME PICACHO WATER IMPROVEMENT CORPORATION

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>5,153</u>
Estimated or Actual Federal Tax Liability	<u>816</u>

State Taxable Income Reported	<u>5,653</u>
Estimated or Actual State Tax Liability	<u>450</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u> </u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

<u><i>H. Howard Holmes</i></u>	<u><i>4/10/01</i></u>
SIGNATURE	DATE

<u><i>H. Howard Holmes</i></u>	<u><i>President</i></u>
PRINTED NAME	TITLE

SEE ACCOUNTANT'S REPORT

COMPANY NAME PICACHO WATER IMPROVEMENT CORPORATION **YEAR ENDING 12/31/2000**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 1,788

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

SEE ACCOUNTANT'S REPORT

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PINAL
NAME (OWNER OR OFFICIAL) TITLE	ACCOUNTANT
COMPANY NAME	PICACHO WATER IMPROVEMENT CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 53,568

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 3,068

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Clara Sullivan
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER _____

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29th

DAY OF

COUNTY NAME	PINAL	
MONTH	MARCH	2001

(SEAL)

MY COMMISSION EXPIRES



OFFICIAL SEAL
ANITA L. MCEACHERN
Notary Public - State of Arizona
PINALE COUNTY
My Comm. Expires June 25, 2004

Anita L. McEachern
SIGNATURE OF NOTARY PUBLIC

SEE ACCOUNTANT'S REPORT

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>PINAL</u>	
NAME (OWNER OR OFFICIAL) <u>CLARA SULLIVAN</u>	TITLE <u>ACCOUNTANT</u>
COMPANY NAME <u>PICACHO WATER IMPROVEMENT CORPORATION</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>42,568</u> \$ _____
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(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2,554
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Clara Sullivan
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

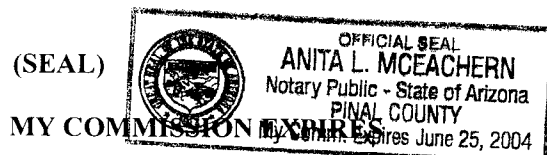
THIS

29th

DAY OF

NOTARY PUBLIC NAME <u>ANITA L. MCEACHERN</u>	
COUNTY NAME <u>PINAL</u>	
MONTH <u>MARCH</u>	<u>20</u> 01

(SEAL)



MY COMMISSION EXPIRES

X Anita L. McEachern
SIGNATURE OF NOTARY PUBLIC

SEE ACCOUNTANT'S REPORT

HENRY & HORNE, P.L.C.
ADVISORS TO BUSINESS
Certified Public Accountants

Board of Directors
Picacho Water Improvement Corp.
Picacho, Arizona

We have compiled the balance sheets-income tax basis of Picacho Water Improvement Corp., as of December 31, 1999 and 2000, and the related comparative statements of income and expenses-income tax basis, for the years then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form. The financial statements have been prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from the income tax basis of accounting. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

Henry & Horne, P.C.

March 27, 2001